

Compass Management Consulting Limited

Report and Financial Statements

Year Ended

31 December 2009

Company Number 01535245

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Compass Management Consulting Limited

Report and financial statements for the year ended 31 December 2009

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Directors

D J L Whitmore
R M Brown

Secretary and registered office

R M Brown, Compass House, 60 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7YU

Company number

01535245

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Compass Management Consulting Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

The company's principal activity is the provision of consultancy services

Directors

The directors of the company during the year were

O S Soderblom (resigned 14 May 2010)

D J L Whitmore

R M Brown

P Teather (resigned 1 May 2010)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Compass Management Consulting Limited

Report of the directors for the year ended 31 December 2009 *(continued)*

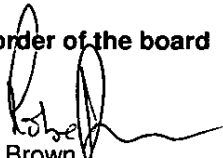
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board


R M Brown
Secretary

Date 28/9/10

Compass Management Consulting Limited

Independent auditor's report

TO THE MEMBERS OF COMPASS MANAGEMENT CONSULTING LIMITED

We have audited the financial statements of Compass Management Consulting Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Compass Management Consulting Limited

Independent auditor's report *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



*James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom*

Date 29 September 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Compass Management Consulting Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	4,812,336	6,005,121
Staff costs		3,649,169	4,535,110
Depreciation and other amounts written off fixed assets		39,568	39,668
Other operating charges		1,908,881	2,230,756
Operating loss	3	(785,282)	(800,413)
Interest receivable and similar income	5	8,432	10,434
Interest payable and similar charges	6	(16,208)	(29,773)
Loss on ordinary activities before and after taxation for the financial year		(793,058)	(819,752)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

Compass Management Consulting Limited

Balance sheet at 31 December 2009

Company number 01535245	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	8		70,394		88,874
Current assets					
Debtors	9	2,203,381		2,434,902	
Cash at bank and in hand		96,481		201,690	
		<u>2,299,862</u>		<u>2,636,592</u>	
Creditors: amounts falling due within one year	10	<u>4,613,121</u>		<u>4,175,273</u>	
Net current liabilities			<u>(2,313,259)</u>		<u>(1,538,681)</u>
Total assets less current liabilities			<u>(2,242,865)</u>		<u>(1,449,807)</u>
Capital and reserves					
Called up share capital	12	3,912,791		3,912,791	
Profit and loss account	13	(6,155,656)		(5,362,598)	
Shareholders' deficit	14		<u>(2,242,865)</u>		<u>(1,449,807)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 28/9/2010.


R M Brown
Director

The notes on pages 7 to 13 form part of these financial statements

Compass Management Consulting Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

The going concern basis of preparation

The financial statements have been prepared on a going concern basis. As at 31 December 2009 the company had net current liabilities of £2,313,259 and net liabilities of £2,242,865. It incurred a loss for the year of £793,058. In deciding to adopt the going concern basis of accounting, the directors have taken into consideration budgets and cash flow projections, which include additional investment after the year end.

No adjustments have been made to the carrying values of both assets and liabilities, that would be required were the going concern assumption inappropriate.

Classification adjustments in profit and loss account, including prior year adjustment

The profit and loss account has been restated by the directors to give a more true and fair view of the nature of the expenditure, there has been no change to the net result. The changes have increased staff costs by £445,003 (2008 - £480,510 increase) in respect of staff benefits, training, recruitment, restructuring and other employee related costs, rather than being included in "other operating charges".

In addition the 2008 comparatives have been restated as follows:

- sales and other operating charges have been reduced in respect of recharged expenses of £617,422
- increased interest payable and similar charges by £27,097 of financing exchange losses, as disclosed in note 6, and decreased other operating charges

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 33 3% on cost basis per annum
Motor vehicles	- 20%-25% of cost per annum
Fixtures, fittings and equipment	- 25%-33 3% on cost basis per annum

Long term contracts

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Operating leases

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

1 Accounting policies (*continued*)

Operating leases (continued)

Annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006

Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Compass Consulting Group Holdings Limited on the grounds all of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 31.0% (2008 - 45.2%)

3 Operating loss

	2009 £	2008 £
This is arrived at after charging		
Depreciation of tangible fixed assets	39,568	39,668
Hire of other assets - operating leases	60,216	60,940
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	12,932	23,048

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

4 Directors' remuneration

	2009 £	2008 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	211,266	182,726

There was 1 director in the company's defined contribution pension scheme during the year (2008 - 1)

5 Interest receivable and similar income

	2009 £	2008 £
Bank deposits	3,551	9,911
Loans to group companies	-	523
Exchange gains	4,881	-
	8,432	10,434

6 Interest payable and similar charges

	2009 £	2008 As restated £
Bank loans and overdrafts	214	429
Exchange losses	-	23,150
Interest paid to group companies	-	3,811
Other interest	15,994	2,383
	16,208	29,773

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

7 Taxation on loss on ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax

	2009 £	2008 £
Loss on ordinary activities before tax	(793,058)	(819,752)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 30%)	(222,056)	(245,926)
Effect of		
Expenses not deductible for tax purposes	4,619	9,390
Depreciation for period in excess of capital allowances	992	5,075
Provisions adjustment	3,425	2,611
Group relief surrender	28,493	-
Losses carried forward	184,527	228,850
Current tax charge for the year	-	-

Factors that may affect future tax charges

The company has tax trading losses carried forward of approximately £4.8m (2008 - £4m)

No provision has been made for a deferred tax asset on the losses due to uncertainty over the timing and extent of the tax benefit

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 January 2009	82,522	12,219	118,112	212,853
Additions	980	-	11,248	12,228
Exchange adjustments on foreign branch	3,837	2,417	5,890	12,144
	<u>87,339</u>	<u>14,636</u>	<u>135,250</u>	<u>237,225</u>
At 31 December 2009	87,339	14,636	135,250	237,225
<i>Depreciation</i>				
At 1 January 2009	40,182	2,916	80,881	123,979
Provided for the year	20,662	1,438	17,468	39,568
Exchange adjustments on foreign branch	869	743	1,672	3,284
	<u>61,713</u>	<u>5,097</u>	<u>100,021</u>	<u>166,831</u>
At 31 December 2009	61,713	5,097	100,021	166,831
<i>Net book value</i>				
At 31 December 2009	25,626	9,539	35,229	70,394
	<u>42,340</u>	<u>9,303</u>	<u>37,231</u>	<u>88,874</u>
At 31 December 2008	42,340	9,303	37,231	88,874

9 Debtors

	2009 £	2008 £
Trade debtors	805,706	1,095,603
Amounts owed by group undertakings	1,145,103	1,020,640
Corporation tax recoverable	26,704	23,890
Prepayments and accrued income	158,321	153,993
Amounts recoverable on long term contracts	67,547	140,776
	<u>2,203,381</u>	<u>2,434,902</u>

All amounts shown under debtors fall due for payment within one year

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

10 Creditors: amounts falling due within one year

	2009 £	2008 £
Payments received on account	277,390	186,603
Trade creditors	183,199	224,573
Amounts owed to group undertakings	3,608,510	3,079,814
Taxation and social security	323,003	316,015
Other creditors	106,702	-
Accruals and deferred income	114,317	368,268
	4,613,121	4,175,273

11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £136,796 (2008 - £112,660). Contributions amounting to £33,733 (2008 - £21,500) were payable to the fund and are included in creditors.

12 Share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £1 each	10,000	10,000
3,990,000 Redeemable shares of £1 each	3,902,791	3,902,791
	3,912,791	3,912,791

The redeemable shares are redeemable at par, at the option of the company, and are not entitled to receive notice of, attend or vote at general meetings. The redeemable shares rank equally with the ordinary shares in respect of dividends and return of capital.

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

13 Reserves

	Profit and loss account £
At 1 January 2009	(5,362,598)
Loss for the year	(793,058)
	<hr/>
At 31 December 2009	(6,155,656)
	<hr/>

14 Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
Loss for the year	(793,058)	(819,752)
Opening shareholders' deficit	(1,449,807)	(630,055)
	<hr/>	<hr/>
Closing shareholders' deficit	(2,242,865)	(1,449,807)
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15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2009 £	Land and buildings 2008 £
Operating leases which expire		
In two to five years	65,643	61,374
	<hr/>	<hr/>

16 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Compass Holding BV, incorporated in The Netherlands. The ultimate parent company is Compass Consulting Group Holdings Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Compass Consulting Group Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from the Registrar of Companies, Cardiff CF4 1UZ. No other group accounts include the results of the company.